

A public meeting of the City of Hillsboro City Council (Governing Body) will be held on June 16, 2015 at 7:00 pm at the Civic Center Auditorium 150 E Main St., Hillsboro, Oregon. The purpose of this meeting is to discuss the budget for the fiscal year beginning July 1, 2015 as approved by the City of Hillsboro Budget Committee. A summary of the budget is presented below. A copy of the budget may be inspected or obtained online at <http://www.hillsboro-oregon.gov/index.aspx?page=262> or at 150 E Main Street on the 5th floor, between the hours of 8:00 am and 5:00 pm. This budget is for an annual budget period and was prepared on a basis of accounting that is the same as the preceding year. The City of Hillsboro website also has this notice posted at <http://www.hillsboro-oregon.gov> and will remain available through June 16, 2015.

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FINANCIAL SUMMARY - RESOURCES			
TOTAL OF ALL FUNDS	Actual Amount 2013-14	Adopted Budget This Year 2014-15	Proposed Budget Next Year 2015-16
Beginning Fund Balance/Net Working Capital	168,418,456	178,751,384	201,751,351
Fees, Licenses, Permits, Fines, Assessments & Other Service Charges	120,836,240	105,154,814	120,637,182
Federal, State & All Other Grants, Gifts, Allocations & Donations	9,012,813	10,204,686	12,414,317
Revenue from Bonds and Other Debt	-	-	8,500,000
Interfund Transfers / Internal Service Reimbursements	15,301,274	54,559,299	52,864,016
All Other Resources Except Current Year Property Taxes	27,213,865	43,150,915	39,386,083
Current Year Property Taxes Estimated to be Received	53,472,317	56,440,851	60,732,622
<b>Total Resources</b>	<b>394,254,965</b>	<b>448,261,949</b>	<b>496,285,571</b>

FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION			
Personnel Services	81,599,809	88,833,404	93,933,370
Materials and Services	31,206,642	37,148,036	39,597,083
Capital Outlay	24,476,339	174,705,387	213,800,513
Debt Service	6,577,508	6,448,108	5,123,843
Interfund Transfers	11,542,225	50,148,031	48,458,656
Contingencies	-	12,832,628	12,782,551
Special Payments	51,672,710	54,433,052	55,119,579
Unappropriated Ending Balance & Reserved for Future Expenditure	187,179,732	23,713,303	27,469,976
<b>Total Requirements</b>	<b>394,254,965</b>	<b>448,261,949</b>	<b>496,285,571</b>

FINANCIAL SUMMARY - REQUIREMENTS BY ORGANIZATIONAL UNIT OR PROGRAM *			
Name of Organizational Unit or Program FTE for that unit or program			
Police	28,672,827	30,255,085	31,391,791
FTE	179.0	179.0	183.0
Fire	17,865,289	18,958,042	19,986,696
FTE	105.0	105.0	108.0
Parks and Recreation	27,097,182	33,735,757	35,370,531
FTE	88.6	87.4	92.8
Library	7,886,140	8,635,370	8,879,159
FTE	52.0	52.0	52.0
Planning	4,029,820	4,819,006	4,955,711
FTE	23.0	23.0	25.0
Street Lighting	925,782	1,010,000	1,010,000
FTE	-	-	-
Special Expenditures	12,462,625	44,316,559	51,276,191
FTE	-	-	-
City Manager's Office	3,263,215	3,607,346	3,607,429
FTE	15.0	15.0	15.0
Human Resources	4,611,930	5,260,584	5,518,623
FTE	12.0	13.0	13.0
Information Services	6,568,774	7,436,682	7,684,632
FTE	30.0	30.0	31.0
Finance	2,738,964	3,103,114	3,375,506
FTE	22.0	22.0	22.0
Municipal Court	457,192	515,387	544,683
FTE	3.0	3.0	3.0
Public Works - Facilities and Fleet Division	34,607,532	36,514,216	41,682,846
FTE	19.0	20.0	21.0
Support Service Expenses	2,099,377	4,071,116	3,726,600
FTE	-	-	-
Economic Development	2,724,619	4,394,840	7,109,000
FTE	6.0	6.0	6.0
Building	28,698,519	25,058,500	28,656,000
FTE	42.0	42.0	43.0
Public Works	108,171,561	111,263,751	124,447,937
FTE	68.0	69.0	73.0
Water	101,157,612	105,077,944	116,823,286
FTE	63.0	66.0	72.0
Library Board	207,095	219,600	229,800
FTE	-	-	-
Cemetery Trust	8,910	9,050	9,150
FTE	-	-	-
<b>Total Requirements</b>	<b>394,254,965</b>	<b>448,261,949</b>	<b>496,285,571</b>
<b>Total FTE</b>	<b>727.6</b>	<b>732.4</b>	<b>759.8</b>

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING \***

Overall, changes to the budget include \$6.6 million increases to revenue for water, sewer and surface water management charges for services. The budget increase includes System Development Charge increases of \$4.4 million. Budgeted Licenses and Permits are decreased by \$2.1 million. The City has budgeted to issue debt in the amount of \$8,000,000 for a portion of the new public works facility and \$500,000 for water projects (forgiveable State loan). Other revenue decreases include a \$3.7 million decrease in contribution in aid related to specific capital projects activity for the Joint Water Commission. Property taxes are budgeted at a 4% increase from actual 2014-15 which is compounded on top of a 5.54% increase from FY 14-15.

Increases in personnel services are a result of step increases, a 1% wage adjustment for general service employees and implementation of a classification and compensation study. No cost of living adjustment (COLA) is included for Police and Fire union employees as negotiations are pending. PERS rates have increased for the biennium beginning July 1, 2015, which is an overall increase of about 27%. With this increase, the City will not continue funding its PERS reserves program that it had been funding during FY 13-14 and 14-15. Additionally, health related costs have been projected to increase by 4% to 7.2% over the current year. All personnel services increases are a result of these factors, except for departments which added positions. 27.5 new positions are included in the proposed budget, of which 7 were added mid FY 2014-15. Listed below are significant changes to departments (amounts are approximated):

**Special Expenditures** - Special expenditures is a category associated with the General Fund or general operations, Gain Share Fund and Strategic Investment Program (SIP) Full Faith & Credit (FFC) Fund. The increase of approximately \$7 million in this category is due to increased transfers out as follows, net of one-time transfers in 2014-15's budget: \$750,000 from SIP FFC Fund to the Support Services Fund to build a fiber loop, \$250,000 from SIP FFC Fund to Parks Capital Fund for SHARC parking property acquisition, approximately \$2.1 million from SIP FFC Fund to Facilities Fund for the new public works facility, \$500,000 from SIP FFC Fund to Facilities Fund for Civic Center second floor archives, \$1 million from SIP FFC Fund to Transportation for the overlay program, approximately \$3.6 million from Gain Share Fund to Economic Development fund for North Industrial development plans, \$1.5 million from Gain Share Fund to Transportation for downtown two-way conversion, \$500,000 from Gain Share Fund to Transportation for wayfinding, \$380,000 from Gain Share Fund to Water for Huffman Water Line, \$4 million from Gain Share Fund to Facilities Fund for public safety facility, \$2 million from Gain Share Fund to Facilities Fund for a RV Park at Fairgrounds, \$1.5 million from Gain Share Fund to Transportation fund for the Cedar Avenue pedestrian safety project, \$725,000 from Gain Share Fund to Fleet Fund for the purchase of a pumper (fire engine).

**Public Works Facilities and Fleet** - Capital Outlay has increased by approximately \$16.9 million primarily due to the construction on a new public works facility, budgeted at \$18.3 million. Transfers have decreased approximately \$12.8 million due to one-time transfers in FY 14-15 to move Gain Share and Strategic Investment Program fund balance to their own designated funds.

**Building** - This increase is primarily due to an influx of building revenues to be expended over multiple years as large projects are reviewed such as Intel's D1X Mod 2 building.

**Public Works** - Personnel Services increased by approximately \$714,000 due to the factors mentioned above, as well as the addition of 4 FTE positions to maintain the current service level. Materials and Services increased by approximately \$1.2 million due primarily to \$900,000 budgeted for contractual services for wayfinding and \$300,000 for contractual services for Cedar Street pedestrian safety. Capital outlay increased approximately \$9.9 million, to a total of \$66.9 million. Capital outlay varies significantly year to year. Notable items that make up this capital outlay include capital reserves for future projects of \$45.2 million. Major budgeted projects feature \$5.5 million for NE 28th Avenue Improvements, \$5 million for the extension of 253rd Avenue, \$3 million for NW 1911/1936 Sanitary Sewer Abatement, \$2 million for the downtown core conversion, \$1.6 million for land for right of way and \$1.5 million for improvements on Cornelius Pass.

**Water** - Capital outlay increased by \$11.2 million to a total of \$85.5 million most significantly including capital reserves for future projects of \$59.9 million. Budgeted projects feature \$12.7 million for the Willamette Water Supply, \$2.8 million for Joint Venture Reimbursement, \$900,000 for the 253rd extension and Huffman road water lines, \$650,000 for Brookwood/Helvetia Interchange and \$450,000 for NE 28th Avenue improvements. Joint Water Commission budgeted projects include \$2.5 million for the continuance of standby power generation, \$2 million for emergency equipment replacement, \$500,000 for installation of flow meters and \$400,000 for preliminary design for a facility plant.

**PROPERTY TAX LEVIES**

	Rate or Amount Imposed	Rate or Amount Imposed	Rate or Amount Approved
Permanent Rate Levy (rate limit 3.6665 per \$1,000)	3.6665	3.6665	3.6665
Local Option Levy	1.72	1.72	1.72
Levy For General Obligation Bonds	-	-	-

**STATEMENT OF INDEBTEDNESS**

LONG TERM DEBT	Estimated Debt Outstanding on July 1	Estimated Debt Authorized, But Not Incurred on July 1
General Obligation Bonds	\$ -	\$ -
Other Bonds	54,895,000	-
Other Borrowings	-	-
<b>Total</b>	<b>\$ 54,895,000</b>	<b>\$ -</b>